THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE March 19, 2014

Staff Report

REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A MORTGAGE CREDIT CERTIFICATE PROGRAM

Prepared by: Sarah Leste	r			
Applicant:		City	of Los Angeles	
Contact Information:				
Contact Information.	Name:	Man	nuel Bernal	
4	Address:		0 W. 7th Street, 8th Floor	
1	iuui ess.		Angeles, CA 90017	
	Phone:		3) 808-8948	
	i none.	(213	0) 000-0540	
Allocation Amount Requested	\$30,3	340,634	Converted MCC Authority:	\$7,585,159
Applicant's Fair Share Amount	nt: \$30,3	340,634	Converted MCC Authority:	\$7,585,159
Participating Jurisdictions:				
City of Los Angeles				
Allocation Information:				
Date MCCs w	ill be adver	tised:	January 13, 2014	
Expected issue da	ite of first N	ACC:	May 18, 2014	
	Program St	tatus:	Existing	
Certificat	e tax credit	rate:	20%	
Type of housing un	its to be ass	sisted/av	verage mortgage amount:	
New construction units:			with an average mortgage amount of	of \$231.851
Existing resale units			b) with an average mortgage amount	
Rehabilitated units:		*	with an average mortgage amount of	
Total units: 164 units with and average mortgage amount of \$231,851				
				,
The above num	bers of unit	s are: Y	X Estimates	
			Actual requirements imposed by	the Issuer
Past Performance:				
	cates the app	plicant m	net the 2013 minimum performance	requirement that at
			e lower-income households or locate	
Tract.	C I	1		
The application indi	cates the apı	plicant ex	xpects to meet the 2014 minimum pe	erformance
			n participants will be lower-income	

Recommendation:

Staff recommends that the Committee approve an amount of \$30,340,634 in tax-exempt bond allocation to the City of Los Angeles for the Mortgage Credit Certificate Program. This is the Applicant's 2014 fair share amount.

DESCRIPTION OF PROPOSED PROGRAM:

• Population to be served by the proposed Program (family size, income levels, etc.):

According to the Applicant, the proposed Program expects to serve all ethnic groups and family sizes with a minimum of 40% of the households at or below 80% of the median income adjusted by household size.

- Estimated number of first-time homebuyers to be assisted: 164
- Housing stock to be purchased (types, unit sizes, etc.):

According to the Applicant, the housing stock to be purchased will consist of condominiums and single family residences.

• Specific reservations of MCCs for purposes such as low-income targeting, new construction, etc.:

According to the Applicant, the program will reserve at least 20% of the certificates for federally designated target areas and at least 40% of the MCCs for families with incomes at or below 80% of the area median income adjusted for family size.

• Expected duration MCCs will be available and anticipated monthly rate of issuance.:

According to the Applicant, MCCs are expected to be available until the allocation expires, which would be December 2016. However, based on the rate of issuance for the past three years, indicated in the application, the anticipated monthly rate of issuance is 12 MCCs per month, therefore, MCC's will be available for 13 to 14 months.

• Other homebuyers assistance programs offered by participating jurisdiction(s):

According to the Applicant, the City provides several assistance programs such as the American Dream Downpayment Initiative Program, Low-Icome Purchase Assistance Program and the Gap Financing Assistance Loan Program for low and moderate income households that purchase homes within the City of Los Angeles. The U.S. Department of Housing and Urban Development purchases and rehabilitates forclosed properties and will sell them to eligible low and moderate income families within the City.

• Additional features unique to the proposed Program:

None indicated.

PURCHASE PRICE INFORMATION:

The proposed maximum limits are:

Unit Type	Average Area Purchase Price*	Non-Target Area Max Purchase Price	Target Area Max Purchase Price
New Units	\$748,462	\$673,616	\$823,308
Existing Units	\$748,462	\$673,616	\$823,308
*This is established by (ch	eck one): X	_ IRS Safe Harbor limitations _ As determined by special survey	,

Expected average sales prices of the estimated units to be assisted:

New Units	\$220,469
Existing Units	\$270,568
Rehabilitated Units	N/A

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$82,800)	
Applicable standard that defines the area median income:		
HUD statewide medianX HUD county MSA median *		
Local median as determined by a special study		
*High Cost Area		
Percent of MCCs reserved for IRS-designated target areas in the jurisdiction(s): 20°		
Proposed maximum income limits:		

Household Size	Non-Target Area	Target Area	
1-2 persons	\$95,220	\$99,360	
3+ persons	\$109,503	\$133,308	

DESCRIPTION OF PUBLIC BENEFITS:

Past Program Performance:

Year	Amount of Allocation	Amount of Allocation Used	Number of MCCs Issued	Outstanding MCC Authority
2011	\$26,487,493	\$26,427,373	202	\$15,030
2012	\$27,241,317	\$25,528,248	170	\$428,267
2013	Did Not Apply	N/A	0	\$0

Pursuant to Section 5269 of the CDLAC Regulations, the Applicant has:

- 1 Demonstrated that no Mortgage Credit Certificate authority from the year two years prior to the current year has been unused (other than minor amounts not to exceed \$1 million); and
- 2 Certified that any Mortgage Credit Certificate authority remaining from the year prior to the current year will be used before the use of new Mortgage Credit Certificate Authority.